

Lambert Smith Hampton

RETAIL INSIGHT REPORT

NORTHERN IRELAND'S RETAIL LANDSCAPE

EXECUTIVE SUMMARY



Shoppers in Northern Ireland continue to value and show a preference for physical retail, with stores an essential part of the retail landscape. The role of the store, however, has evolved as consumer expectations have changed.

There is now a greater emphasis on quality, service and experience, with omnichannel retail an essential rather than an add-on. Stores increasingly act as fulfilment and service hubs, supported by closer integration between physical and digital channels, underpinned by advances in data, technology and AI.

The COVID-19 pandemic caused severe disruption to the retail sector and commentators at the time forecast that structural changes already underway would accelerate and have a profound and lasting impact.

There is no doubt that the pandemic resulted in store closures, store rationalisation and a fundamental reset of rents and lease terms. However, the widely predicted death of brick-and-mortar retail did not materialise. Consumer behaviour changed almost overnight during the pandemic, driven by a necessary shift towards online shopping. While the online proportion of retail spend remains higher than pre-pandemic levels, growth has stabilised, with increases of less than one percentage point between 2022 and 2026.

In the post-pandemic period, the retail sector in Northern Ireland has both recovered from the immediate shocks of COVID-19 and undergone structural change. Over the past three years this recovery has accelerated into a more confident, better balanced retail environment, supported by a stronger mix of shopping, food and beverage, leisure and experiential uses.

Northern Ireland has benefited from renewed market entry and ongoing occupier expansion.

Northern Ireland has continued to attract a growing range of UK and international retailers, including Victoria's Secret, Bershka, Abercrombie & Fitch, Primark Home, LEGO, Marella, Charles Tyrwhitt, Nomination and Vanilla. This has been accompanied by the continued growth of strong local operators. Northern Ireland's shopping habits have supported this, with delays and new costs associated with deliveries to the region following post-Brexit customs rules benefitting physical shopping.

Food and beverage have proven to be a critical driver of recovery and footfall and has been actively reinforced through planning and leasing strategies, with new entrants such as Slim Chickens, Popeyes, Krispy Kreme, Taco Bell, Wingstop, Black Sheep Coffee, German Doner Kebab and Mary Brown's Chicken, reinforcing the sector's role as an anchor for activity.

Beauty retail has emerged as a key growth sector in Belfast and across Northern Ireland, driven by a combination of international entrants and strong indigenous brands. The closure of Debenhams department store accelerated a shift towards standalone beauty retail formats, while the arrival of global beauty retailer Sephora has further strengthened Belfast's credentials as a leading retail destination. Coupled with the continued success and expansion of local brands such as BPerfect Cosmetics, Sculpted by Aimee and Bellamianta, the sector's growing influence on the region's retail landscape is evident.

In parallel, a number of shopping centres across Northern Ireland have been acquired by locally based investors. This shift in ownership has supported more active asset-management strategies, with a focus on re-tenanting, broadening uses and improving performance. Local ownership has enabled quicker decision-making and a longer-term view, helping centres adapt their offer and play a more integrated role in their surrounding town and city centre environments.

Belfast city centre has undergone a structural shift from a predominantly retail-led proposition to a mixed-use, living-led destination positioned as a place to live, work, visit, shop and socialise. This transition reflects a broader policy emphasis on city-centre living, diversification of uses and long-term place-making. Since 2022, 864 hotel rooms, 1,012 residential units and 5,030 student beds have been completed or are currently under construction, materially increasing population density and supporting sustained activity throughout the day and evening.

This report explores the transformation of Northern Ireland's retail landscape and Belfast's evolution into a more resilient, lived-in and experience-led city centre, supported by coordinated regeneration and investment.

Criona Collins
HEAD OF RETAIL AGENCY, BELFAST

CONTEXT

Northern Ireland has experienced a period of sustained macroeconomic recovery, which has supported occupier expansion, new market entrants, stabilising labour markets, growth in tourism and increased investment across the retail sector.

KEY STATISTICAL COMPARISONS, 2019 AND TODAY

Population in NI[1]

2019	Today
1,898,519	1,928,400

Population in Belfast[1]

2019	Today
345,391	351,900

Unemployment rate NI[2]

2019	Today
2.4%	2.1%

Visitor generated revenue in NI[3]

2019	Today
1.04bn	1.24bn

Overnight external visitors to NI[3]

2019	Today
3.00m	3.31m

Overnight trips to Belfast[4]

2019	Today
1.88m	1.54m

Cruise ship passengers and crew Belfast[5]

2019	Today
197,000	310,000

Average annual earnings NI[6]

2019	Today
£27,400	£38,200

Average annual earnings Belfast[6]

2019	Today
£27,700	£38,400

Average house price in NI[7]

2019	Today
£132,623	£207,272

GVA per head population NI[8]

2019	Today
£23,080	£31,024

Retail property investment NI[9]

2019	Today
£93m	£215m

REFERENCES

[1] Northern Ireland Statistics and Research Agency (NISRA) Mid-year population estimates. Today is MYE 2025. 2025 Mid-Year Population Estimates for Northern Ireland and Estimates of the Population Aged 85 and Over for Northern Ireland, 2025 (and 2001 to 2024 revised) | Northern Ireland Statistics and Research Agency

[2] NISRA Labour Market Report October 2026. 2019 is Nov 19-Jan 20. Today is Jun-Aug 26. Labour Market Report - October 2026 | Northern Ireland Statistics and Research Agency

[3] NISRA Quarterly Tourism Statistics. Today is 12 months to June 2026. 2019 data Archive annual tourism statistics publications | Northern Ireland Statistics and Research Agency. 2026 data Quarterly tourism statistics publications | Northern Ireland Statistics and Research Agency

[4] Tourism NI Local government district tourism statistics. Today is 2025. Local Government District Tourism Statistics

[5] NISRA Tourism statistics early indicators, 2019 Tourism statistics early indicators | Northern Ireland Statistics and Research Agency. Today is 2025. Belfast Harbour. Belfast Harbour | FINAL CRUISE SHIP CALL OF 2025 MARKS THE END OF ANOTHER SUCCESSFUL CRUISE SEASON FOR BELFAST

[6] NISRA Annual Survey of Hours and Earnings. Median annual gross full-time earnings. Today is 2026. NI geographies, by place of work and place of residence | Northern Ireland Statistics and Research Agency

[7] Department of Finance House Price Index. 2019 is Oct-Dec 2019. 2026 is Jul-Sep 2026. NI House Price Index statistical reports | Department of Finance

[8] Office for National Statistics (ONS) Regional gross value added (balanced) per head and income components. Today is 2024. This is the latest available data. Regional gross value added (balanced) per head and income components - Office for National Statistics

[9] Lambert Smith Hampton Investment Transactions Northern Ireland Bulletin H2 2025. Today is 2025. ltni-h2-2025.pdf

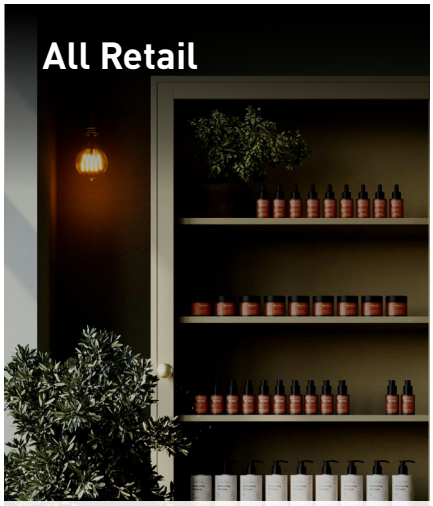
CHANGES IN LEASE LENGTH

Post-COVID, average lease lengths have shortened from historically longer commitments, reflecting a broader trend observed across the UK real estate market.

Across the wider market, average lease lengths have declined by 47% between 2019 and 2025. The average lease length in Northern Ireland decreased post-COVID-19 by half, with five-year leases now common practice, with some occupiers also requiring three-year break options to maintain operational flexibility.

While lease lengths have generally shortened across the retail market, food and beverage occupiers continue to favour longer leases, often exceeding 10 years, due to the significant upfront capital expenditure associated with fitouts and operational equipment.

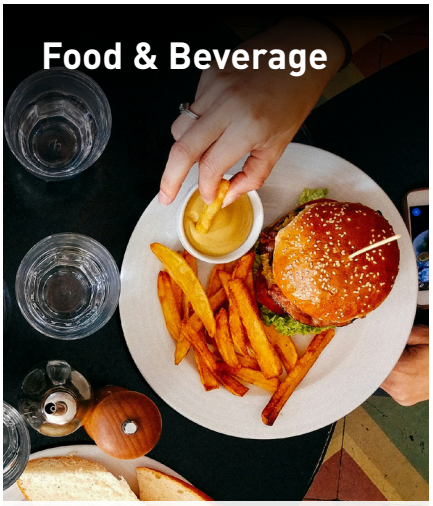
Northern Ireland average retail lease lengths, pre and post COVID-19[11]



Pre COVID (2015-2019)	Post COVID (2022-2026)
10 YEARS	5 YEARS



Pre COVID (2015-2019)	Post COVID (2022-2026)
10 YEARS	5 YEARS



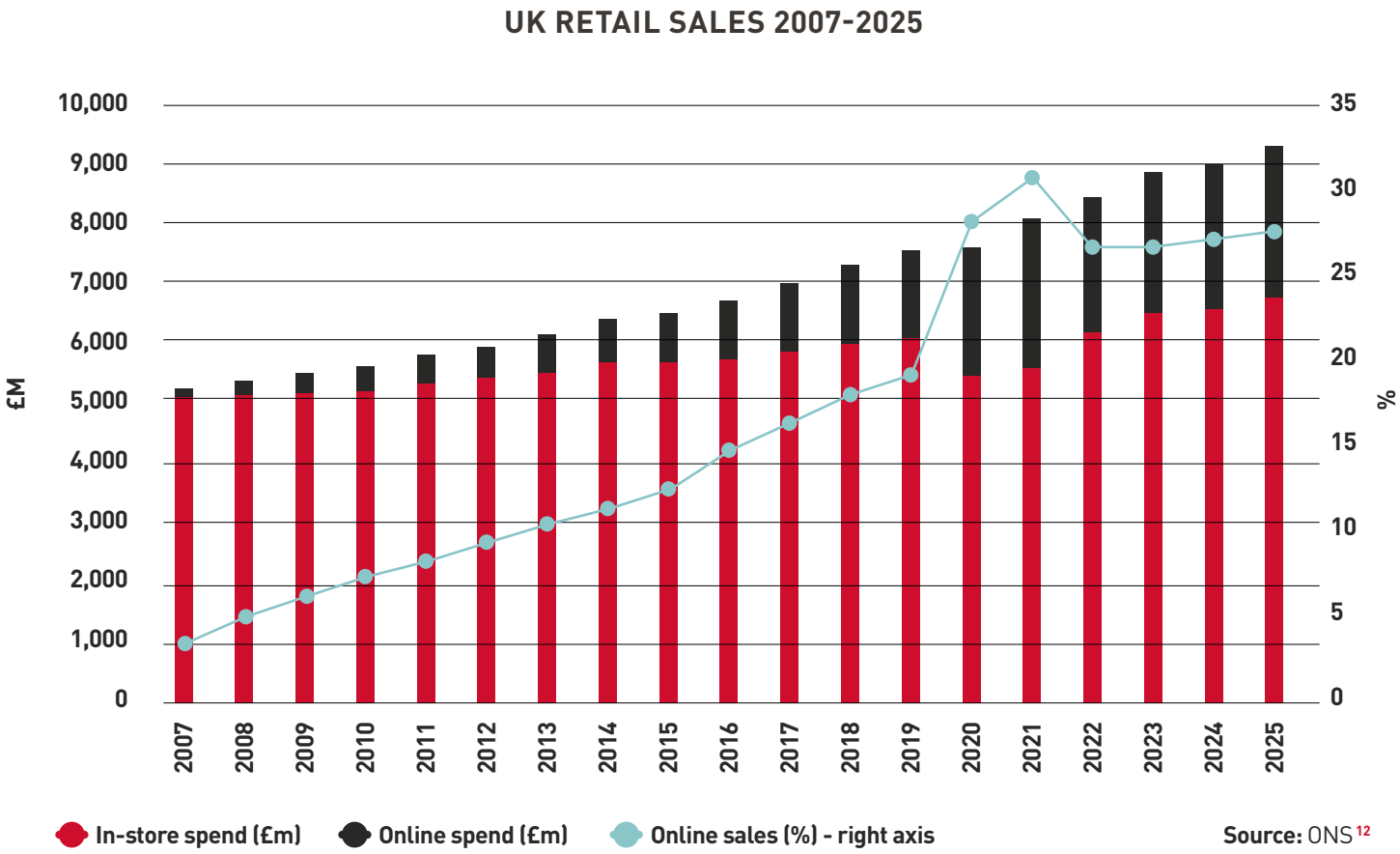
Pre COVID (2015-2019)	Post COVID (2022-2026)
15 YEARS	10 YEARS

REFERENCES

[10] Re-Leased Market Lens: UK Lease Lengths in Focus 2025.pdf
[11] LSH Research. Sample size of 493 leases (190 pre COVID, 303 post COVID, 356 Shopping Centres & Retail Parks, 90 Food & Beverage)

RETAIL SALES

Retail spend accelerated sharply during the COVID-19 period, when online sales peaked. Online growth has stabilised since 2022, but online continues to account for a significantly higher proportion of retail spending than pre-pandemic, indicating a lasting structural change in consumer behaviour. However, the dominant share of retail expenditure continues to be captured by physical stores.



Source: ONS [12]

REFERENCES

[12] Office for National Statistics (ONS). Internet retail sales (non-seasonally adjusted). Average weekly value of in-store and online spend (£m). Online sales (%) is internet sales as a percentage of total retail sales (right hand axis). Internet sales as a percentage of total retail sales (ratio) (%) - Office for National Statistics. Retail Sales Index internet sales - Office for National Statistics

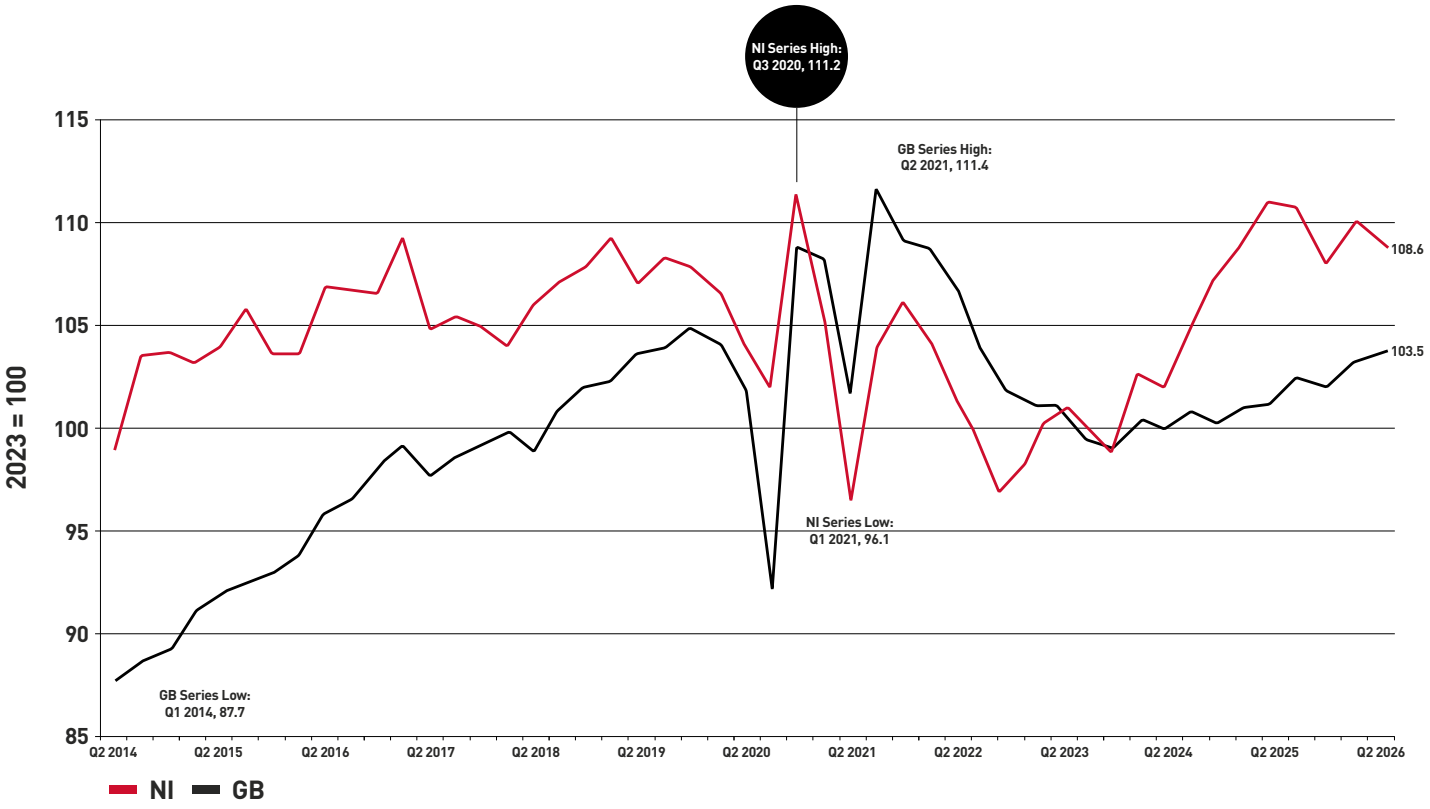
RETAIL SALES INDEX

NI AND GB Q1 2014-Q2 2026

The Retail Sales Index (RSI) measures whether retailers are selling more or fewer goods over time, making it a useful indicator of consumer spending and the health of the retail sector.

Retail sales in Northern Ireland and Great Britain grew at a similar pace between 2014 and 2019 and were affected in much the same way during the COVID-19 pandemic and the two years that followed. However, from early 2024, Northern Ireland's retail sector began to outperform Great Britain. Retail sales in Northern Ireland are now 2.1% higher than they were before the pandemic, while sales in Great Britain remain 0.5% below pre-pandemic levels.

RETAIL SALES INDEX NORTHERN IRELAND AND GREAT BRITAIN Q1 2014-Q2 2026 [13]



REFERENCES

[13] Northern Ireland Statistics and Research Agency (NISRA) Northern Ireland Quarterly Index of Services Quarter 2 2026.
Index of Services | Northern Ireland Statistics and Research Agency

RETAIL INVESTMENT

Since late 2022, over £477 million has been invested in Northern Ireland's retail property market, comprising £253 million in shopping centres and £224 million in retail parks. The majority of this investment - 72% or £343 million - has been driven by local investors, including private buyers and property companies. Local investment has been particularly prominent in shopping centres, accounting for 85% (£216 million) of investment, compared with 57% (£127 million) of retail park investment.

The trend has been driven by investors seeking to deploy capital into high quality assets with strong fundamentals, where pricing has been attractive and assets offer robust cashflow returns.

In the space of two years we saw local buyers purchasing Lesley Forestside in Belfast, Lesley Abbeycentre in Newtownabbey, Rushmere in Craigavon, Lesley Bloomfield in Bangor, Foyleside in Derry/Londonderry, and Erneside in Enniskillen.

There is recognition amongst buyers that, even with a strong retail offer, shopping centres must continue to evolve and invest to maintain their appeal and attract visitors in an increasingly competitive retail environment. This has driven significant investment in several of Northern Ireland's prime shopping centres, including the multi-million-pound refurbishment of Rushmere, Craigavon, Foyleside, Derry/Londonderry, Lesley Forestside, Belfast, Fairhill, Ballymena, and a major programme of improvements at Erneside, Enniskillen and Lesley Abbey Centre, Newtownabbey. Further investment is planned, including Herbert Group's proposals to expand the retail footprint of Lesley Bloomfield, which is already underway. Looking ahead, we expect further significant investment in shopping centre assets.

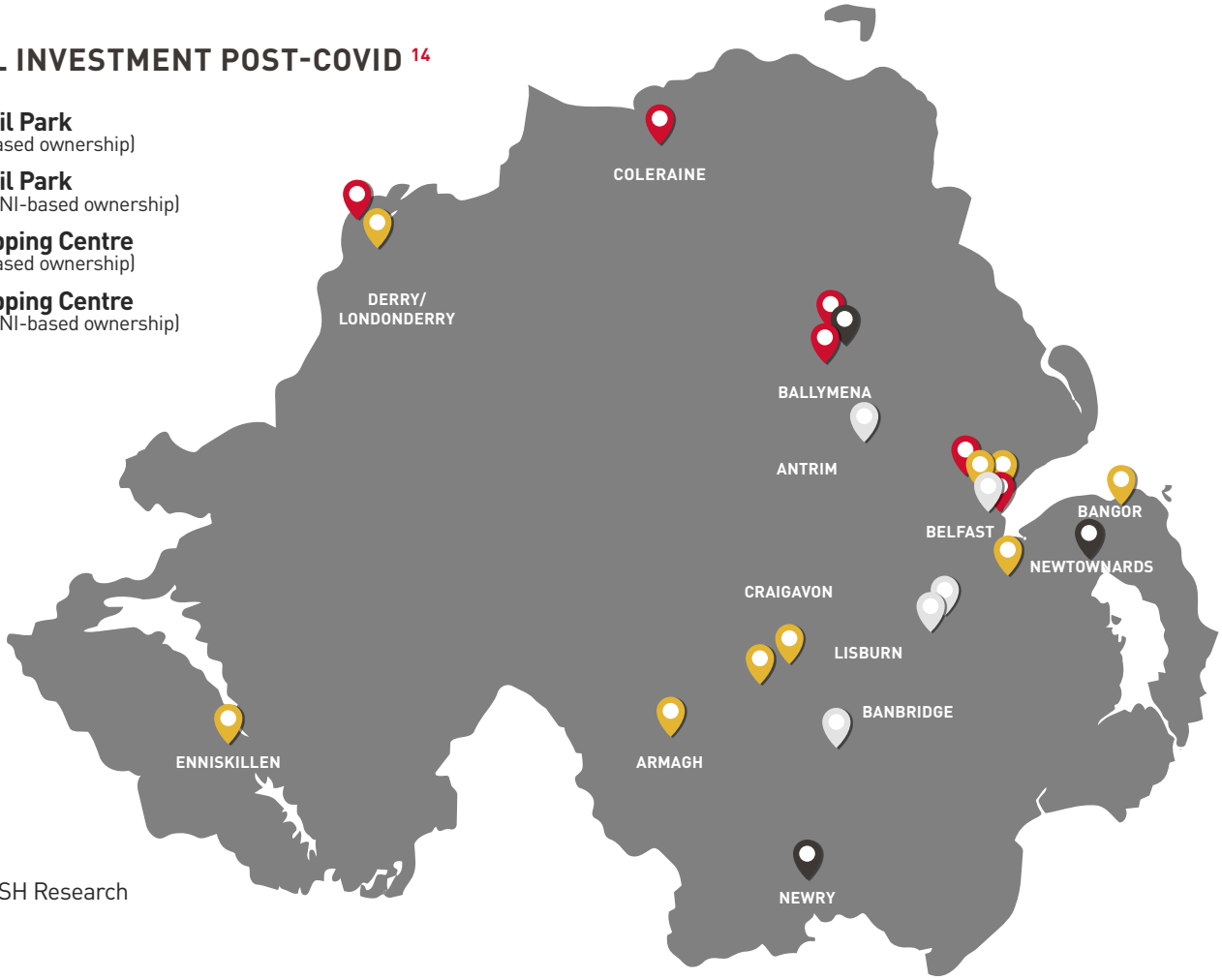
RETAIL INVESTMENT POST-COVID [14]

Retail Park
(NI-based ownership)

Retail Park
(Non-NI-based ownership)

Shopping Centre
(NI-based ownership)

Shopping Centre
(Non-NI-based ownership)



Source: LSH Research

REFERENCES

[14] Post COVID is from Q2 2022. Final restrictions were lifted in March 2022.

MAJOR RETAILER EXPANSION



Retailer expansion in Northern Ireland has followed a clear divergence in strategy in the past five years. Premium retailers have largely focused on strengthening their presence in core markets, with investment targeted towards anchoring key locations and upgrading existing estates through high-quality refurbishments, such as M&S Foodhalls. In contrast, discount retailers have driven more extensive physical expansion, characterised by store upsizing within existing locations, new-build formats and a strong presence in retail parks and edge-of-town locations.

01. M&S

Focus: Foodhalls

2024 Grand Central Station, Belfast: first NI foodhall travel hub location

2024 Riverside Retail Park, Coleraine

2025 Marlborough Retail Park, Craigavon

2026 Belfast International Airport: foodhall expansion

Future: Foodhall expansion at Lisburn Rd, Belfast

02. HOME BARGAINS

Focus: New purpose-built stores

2022 Kennedy Centre, Belfast: relocation and expansion within centre

2022 Millennium Way, Lurgan

2025 Queen St, Ballymena

2025 Shore Commercial Park, Carrickfergus

2025 Lakelands Retail Park, Enniskillen

Future: Proposed new stores at Ballymena Road, Antrim and Carnbane Way, Newry

03. PRIMARK

Focus: Larger high-quality stores

2022 Bank Buildings, Belfast: reopening, 76% larger than original store

2022 Rushmere Shopping Centre, Craigavon

2025 Donegall Place, Belfast: first Primark Home, new dedicated format

2025 Fairhill, Ballymena: relocation from Tower Centre

04. LIDL

Focus: Relocate, modernise current locations and selective new locations

2022 Shore Road, Belfast: new store, existing site

2022 Castlereagh Road, Belfast: new store, nearby relocation

2024 Boucher Road, Belfast

2024 Church Road, Carryduff

2025 Riverside Retail Park, Coleraine

2025 Ballysillan Road, Belfast: new store, existing site

2025 Orritor Road, Cookstown: new store, relocation

2026 Central Way, Craigavon

2026 The Middle Ale, Belfast: first Lidl pub

2026 Bloomfield Road, Bangor: new store, relocation

Future: 16 new stores planned by 2032, proposed £500m investment

05. THE RANGE

Focus: New stores

2023 Sprucefield Park, Lisburn

2025 Balloo Retail Park, Bangor

2025 Orritor Road, Cookstown

2025 Lakelands Retail Park, Enniskillen

Future: Proposed new store Riverside Retail Park, Coleraine

06. B&M

Focus: Relocation and expansion

2022 High Street Mall, Portadown

2023 Boucher Road, Belfast

2025 The Junction, Antrim: first NI garden centre

2025 Rushmere Shopping Centre, Craigavon: Relocation within the retail park

2026 Main Street, Strabane

Future: Proposed expansion at Bridgewater Retail Park, Banbridge and further garden centre additions

07. DUNNES

Focus: Selective investment in existing stores

2026 Foyleside Shopping Centre, Derry/ Londonderry: largest NI store

Future: Expansion at Rushmere Shopping Centre, Craigavon

08. SAINSBURY'S

Focus: New store

2026 Great Northern Retail Park, Omagh

FOOD AND BEVERAGE

Food and beverage operators have been among the biggest beneficiaries in the post-COVID era. The period has seen both the entry of new brands to the Northern Ireland market and significant expansion by already well-established operators, reflecting strong consumer demand and confidence in the sector. This has been reinforced by the arrival and continued roll-out of major US brands, including Slim Chickens, Taco Bell, Wingstop, Chick-Fil-A and Popeyes, underlining Northern Ireland's growing attractiveness to international food-led operators.



NEW ENTRANTS

2021 • Fast Food • NI
Orto
Stranmillis, Belfast
No. NI Locations 2026: 5

2022 • Fast Food • US
Slim Chickens
Boucher, Belfast
No. NI Locations 2026: 3 (8 Planned)

2023 • Fast Food • UK
Pret A Manger
Donegall Sq West, Belfast
No. NI Locations 2026: 3

2024 • Fast Food • US
Popeyes
Forestside, Belfast
No. NI Locations 2026: 3

2024 • Casual Dining • UK
The Ivy
Donegall Sq Nth, Belfast
No. NI Locations 2026: 1

2024 • Hot Drinks • UK
Knoops
Victoria Square, Belfast
No. NI Locations 2026: 1

2024 • Hot Drinks • UK
Black Sheep Coffee
Pearl Assurance Buildings, Belfast
No. NI Locations 2026: 4

2024 • Fast Food • Canada
Mary Brown's Chicken
LeisurePlex, Lisburn
No. NI Locations 2026: 2

2025 • Fast Food • US
Krispy Kreme
Victoria Square, Belfast
No. NI Locations 2026: 2

2025 • Fast Food • US
Chick-fil-A
Applegreen, Lisburn
No. NI Locations 2026: 2

2025 • Fast Food • US
Wingstop
Boucher Crescent, Belfast
No. NI Locations 2026: 3

2025 • Fast Food • US
Taco Bell
Applegreen, Lisburn
No. NI Locations 2026: 1

2026 • Fast Food • UK
German Doner Kebab
Boucher Square, Belfast
No. NI Locations 2026: 1

FOOD AND BEVERAGE

EXPANSIONS



Expansion by already established operators in Northern Ireland has been characterised by targeted, format-led growth rather than blanket roll-out. McDonald's, for example, focused investment on additional drive-thru units and refurbishment of existing stores to add integrated digital ordering and delivery facilities.

Alongside this, a number of operators are increasingly prioritising high-footfall, travel-led environments, reflecting changing consumer behaviour. This is evident in Starbucks' presence at Belfast Grand Central Station, Caffè Nero's expansion at Belfast City Airport, and Pret's strategic entry into Belfast International Airport, all of which underline the growing importance of transport hubs as resilient growth locations. **Examples include:**

01. MCDONALD'S

Focus: Drive-thru expansion and modernisation of existing restaurants

2022 Circular Road, Larne

2022 Ballygomartin Road, Belfast

2024 Dublin Road, Enniskillen

2024 Ardpatrick Retail Park, Magherafelt

2025 Asda, Coleraine

2026 Donegall Place, Belfast: modernisation and enhanced digital ordering

2026 Braidwater Retail Park, Ballymena: expansion and collection area

2026 Lesley Abbeycentre, Newtownabbey: modernisation and enhanced digital ordering

2026 Glengormley, Newtownabbey: modernisation and enhanced digital ordering

Future: Delivery partner integration and digitally enhanced restaurants. Proposed new locations Lisburn, Newtownards and Ballynahinch

02. GREGGS

Focus: Expansion and locations outside greater Belfast

2025 Lisburn Road, Belfast

2025 York Street, Belfast

2025 Titanic Quarter, Belfast

2025 Marlborough Retail Park, Craigavon: first NI drive-thru

2025 Foyleside Shopping Centre, Derry/ Londonderry

2025 The Junction, Antrim

Future: Continued expansion into retail parks, roadside locations and drive-thrus

03. STARBUCKS

Focus: Expansion into travel hubs and drive-thrus

2022 CastleCourt, Belfast: flagship cafe

2022 Lanyon Place Station, Belfast: first NI rail hub location

2023 Holywood Exchange, Belfast: within Sainsbury's supermarket

2024 Meadowlane Shopping Centre, Magherafelt

2024 Sprucefield Retail Park, Lisburn

2024 Grand Central Station, Belfast

2025 Northway, Portadown: drive-thru

2025 The Outlet, Banbridge: drive-thru

2026 Boucher Road, Belfast: drive-thru

04. CAFFÈ NERO

Focus: Airport and Belfast neighbourhood locations

2022 Belfast City Airport, Belfast: flagship landside café and first NI airport location

2024 Belfast City Airport, Belfast: second airport location in departures lounge

2025 Cregagh Road, Belfast

2025 Belmont Road, Belfast

2026 Queen's University Belfast

Future: Proposed first drive-thru at Longwood Retail Park, Newtownabbey

05. COSTA COFFEE

Focus: Selected expansion and drive-thru

2022 Sprucefield Park, Lisburn: drive-thru

2023 Great Northern Retail Park, Omagh: drive-thru

2025 Fairhill Shopping Centre, Ballymena: new large format café

2025 Lakelands Retail Park, Enniskillen: first drive-thru coffee outlet in town

Future: Proposed drive-thru at Valley Retail Park, Newtownabbey

06. NANDO'S

Focus: Expansion in new locations

2023 The O2 Belfast

2024 Lesley Forestside Shopping Centre, Belfast

2025 Sprucefield Retail Park, Lisburn

LOCAL RETAILER EXPANSION

Alongside the entry of international brands, the past five years have seen strong growth among indigenous Northern Ireland operators. Local businesses have expanded their physical footprints, invested in new facilities and created employment across the region.

BPerfect Cosmetics is one of Northern Ireland's most successful retail brands. Since 2020, it has expanded its store network, including the opening of flagship Mega Stores in Rushmere, CastleCourt, and Foyleside, while continuing to build its national and international profile.

Bellamianta is following a similar trajectory, growing from a Northern Ireland-based tanning brand into an internationally recognised beauty business. In 2026, it opened its first dedicated retail store at Rushmere Shopping Centre, Craigavon, marking the transition from a predominantly online and wholesale business into a physical retail operator.

The food and beverage sector has also produced a number of notable local expansion stories. Orto Pizza has grown from a single restaurant in Stranmillis in 2022 to a multi-site Belfast operator, supported by investment in new production and bakery facilities, with a further Belfast store recently opened.

Northern Ireland's independent coffee sector continues to expand, led by established regional operator Ground Espresso Bars, which opened a new location within the redeveloped Next store on Donegall Place in 2026, further extending its network across Northern Ireland. This growth is complemented by a new generation of speciality coffee operators, including Trait, Nine Squared, Kaffe 0 and Neighbourhood, which are investing in distinctive concepts and prominent locations across Belfast and other key towns, reflecting continued demand for high-quality, locally based food and beverage offers.

Elsewhere, Knotts Bakery and Lazy Claire Patisserie have launched a collaborative new outlet at Lesley Forestside Shopping Centre, combining an established local bakery brand with one of Belfast's best-known artisan pâtisseries and highlighting continued innovation within the indigenous food sector.

While the recent expansion of indigenous operators is encouraging, many local businesses continue to operate in a challenging economic environment. Cost pressures, shifts in consumer spending and wider geopolitical uncertainty may create future headwinds, potentially influencing the pace of growth and expansion among some operators.



RETAIL IN BELFAST CITY CENTRE

NEW BRANDS

Between 2019 and 2026, Belfast city centre has seen a sustained influx of new retail and leisure brands, with activity accelerating in the past two years and reflecting renewed confidence in the city's core retail pitch. The mix of arrivals spans premium fashion, lifestyle, food and experiential concepts, with new lettings in Victoria Square, Queen's Arcade and key city-centre streets, reinforcing Belfast's position as a regional shopping destination. During 2024 and 2025, demand from large-space fashion retailers was particularly strong driven by brands such as Primark Home, Bershka, River Island and Pull and Bear. New brands help drive footfall, spending and job creation, along with improved investor confidence.

This momentum has translated into tangible improvements along Donegall Place which reached full occupancy by summer 2025 following a wave of high-profile openings and store upgrades. Alongside headline lettings, smaller vacant units elsewhere in the city centre have been reanimated through Belfast City Council's Vacant to Vibrant scheme, which has supported independent operators and facilitated the refurbishment of previously vacant space, contributing to a broader uplift in activity, diversity and street-level vitality across the city centre.

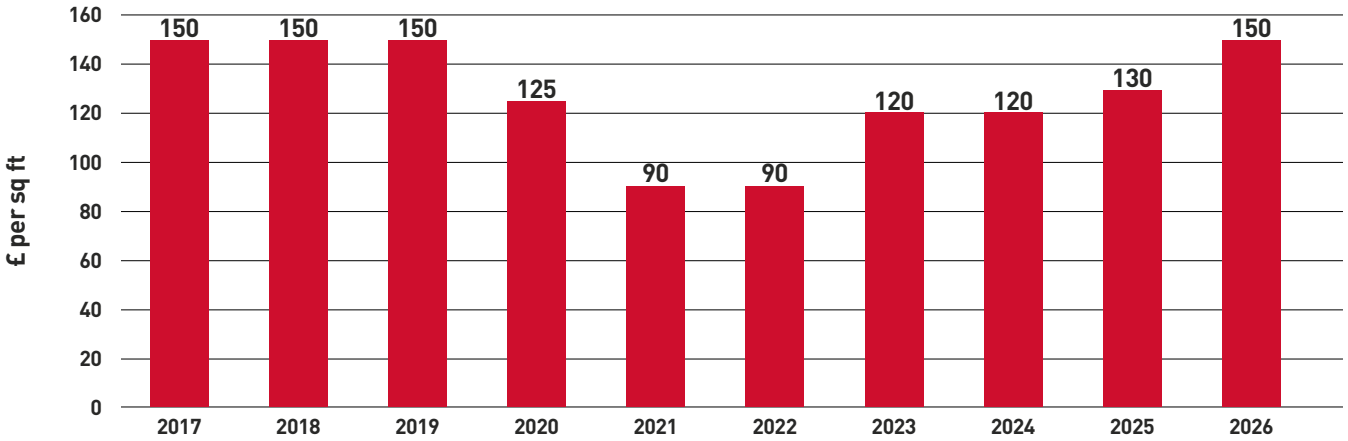


YEAR	BRAND	LOCATION
2019	Anthropologie	City centre store
2019	TAG Heuer	Queens Arcade
2019	L'Occitane	Victoria Square
2019	Flannels	Victoria Square
2022	Flying Tiger Copenhagen	City centre store
2022	Austen & Blake	City centre store
2022	Sweaty Betty	Victoria Square
2022	Montblanc	Queens Arcade
2023	Sculpted by Aimee	Victoria Square
2023	Gym+Coffee	Victoria Square
2023	Lovisa	Victoria Square
2023	The White Company	Victoria Square
2023	Slim Chickens	Victoria Square
2023	MINISO	Castlecourt
2023	Dylan Oaks	City centre store
2024	Deichmann	The Keep
2024	Knoops	Victoria Square
2024	The Ivy	City centre store
2024	Charles Tyrwhitt	City centre store
2024	Marella	City centre store
2025	Primark Home	City centre store
2025	Victoria's Secret	City centre store
2025	Rolex	Queens Arcade
2025	LEGO	Victoria Square
2025	Bershka	Victoria Square
2025	Krispy Kreme	Victoria Square
2025	Astrid & Miyu	Victoria Square
2025	Loake Shoemakers	Victoria Square
2025	Levi's	Victoria Square
2025	Black Sheep Coffee	City centre store
2025	Vanilla	Castlecourt
2026	Sephora	Victoria Square
2026	Abercrombie & Fitch	Victoria Square
2026	Nomination	City centre store
2026	North Face	Victoria Square
2026	Jo Malone	Victoria Square

RENT AND VACANCY

Prime Zone A retail rents in Belfast city centre were stable pre-pandemic, before falling sharply during the COVID-19 period as occupier demand weakened, bottoming out at around £90 per sq ft in 2021–22. Since then, rents have recovered steadily alongside improving footfall and confidence, rising through £120 per sq ft in 2023 and 2024. By 2026, prime Zone A rents are shown to have recovered to pre-pandemic levels of approximately £150 per sq ft.

BELFAST PRIME ZONE A RENT (£ PER SQ FT)



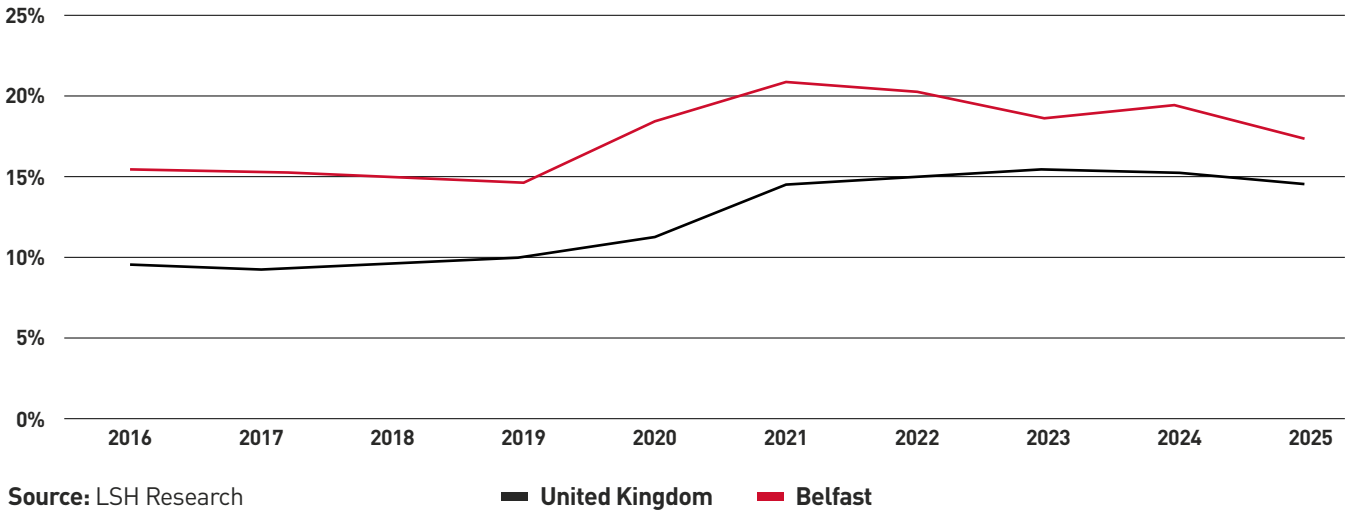
Source: LSH Research

The recovery in rents has been underpinned by strengthening occupier demand and a limited supply of prime retail units. Further rental growth is likely, particularly within shopping centres and retail parks, although the outlook will be influenced by future Government policy decisions, taxation changes and wider geopolitical factors that may increase operating costs for retailers.

VACANCY RATES

Belfast's retail vacancy rate has shown a clear improvement in recent years, declining from a peak of 20.9% in 2021 to 17.5% in 2025. Although vacancy levels remain above the UK average, the downward trend reflects the strengthening of the city centre retail market, supported by new lettings, retailer expansion and a more diverse mix of uses.

VACANCY RATES, BELFAST AND UK 2016-2025



Source: LSH Research

DEVELOPMENT

Post-COVID development in Belfast city centre has been relatively limited on the retail side, with new delivery largely confined to The Avenue cinema, which opened in 2023, and The Keep retail scheme, which completed in 2024, both of which involved the redevelopment and reconfiguration of a former vacant department store.

In contrast, other sectors have continued to expand more rapidly. Purpose-built student accommodation has remained a key growth area following the opening of Ulster University's city-centre campus, reinforcing demand and city-centre activity. Hotel development has resumed after a period of adjustment, while residential development has gathered momentum, most notably with Loft Lines at Titanic Quarter, marking Northern Ireland's first build-to-rent scheme.

RETAIL DEVELOPMENT

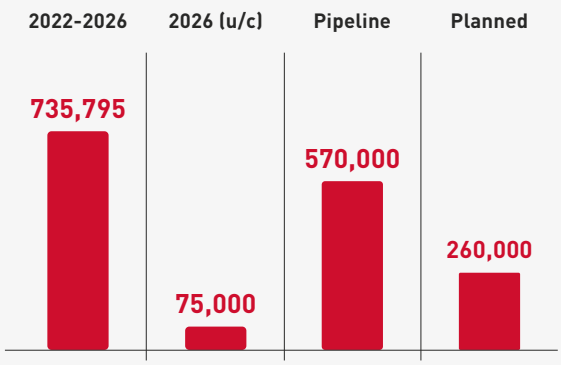
- The Keep (opened 2024, c. 70,000 sq ft)
- The Avenue Cinema (opened 2023, c. 28,000 sq ft)

DEVELOPMENT IN BELFAST CITY CENTRE 2022 ONWARDS [15]

DEVELOPMENT BY PROPERTY TYPE

	2022-2026	2026 (u/c)	Pipeline	Planned
Student (beds)	3,374	1,656	2,884	1,946
Hotel (beds)	728	234	892	454
Resi/BTR (units)	1,003	0	951	1,452

OFFICE (SQ FT)





REFERENCES

[15] LSH Research. Pipeline includes planning permission granted. Planned includes planning permission pending decision, outline planning permission and pre-application.

OUTLOOK

Looking ahead over the next five years, the retail sector in Northern Ireland is expected to continue its transition from a traditional retail-led environment towards one underpinned by mixed-use activity, city-centre living, tourism and experience-led destinations. Nowhere is this shift more pronounced than in Belfast city centre, which has rebuilt confidence following the disruption of COVID-19 and the structural change in retail.

Over recent years, Northern Ireland has attracted a growing number of new retail entrants, strengthening the breadth and diversity of the market. However, several major brands with a significant presence across other UK and Irish cities have yet to establish a footprint in the region, including John Lewis, Adidas, Alo, Reserved, lululemon, COS, Oysho, New Balance, Uniqlo, Massimo Dutti, GANT, ME+EM, Coach, Gymshark, Pop Mart and Pure Seoul. The successful performance of recent entrants such as Sephora demonstrates the region's potential and may encourage additional brands to consider Northern Ireland as an attractive expansion opportunity in the years ahead.

Beyond retail, many leading UK and international cities have increasingly focused on experiential and leisure-led attractions to drive footfall and support city centre vitality. Belfast is increasingly embracing this trend through developments such as The Avenue cinema at CastleCourt and King Pins at The Keep on Castle Lane. Significant investment is also taking place at The O2 Belfast, where a new 10-year partnership with Virgin Media O2 forms part of a wider transformation of the former Odyssey complex. This has been accompanied by an expanding food, beverage and leisure offer, including Five Guys, Nando's, Zizzi, Wagamama's, Mary Brown's Chicken and Char+Mash, the complex's first licensed bar and restaurant. The arrival of Funstation, a 10,600 sq ft family entertainment venue offering arcade games, interactive gaming and escape rooms, Hollywood Bowl and The Lost City Adventure Golf has further diversified the leisure offer, strengthening the complex as a day-to-night destination.

The recent opening of Dumb Luck Coffee in the Cathedral Quarter will further diversify the city's evening economy, with the independent coffee shop offering later weekend opening and an alternative, non-alcohol-focused late-night venue.

As the city continues to evolve, there remains significant scope for further leisure and entertainment investment to broaden its appeal, increase dwell time and complement the existing retail provision.

A central driver of change is the growing resident population within and adjacent to the city centre. The completion of Loft Lines at Titanic Quarter, alongside the anticipated progression of City Quays as the next significant build-to-rent scheme, points to a step change in full-time city-centre living. This expanding residential base is helping to rebalance demand away from a solely commuter- and visitor-driven model towards one capable of supporting more consistent, seven-day trading. Linked to this, there is increasing momentum behind the repurposing of obsolete office stock, with healthcare facilities and care-related uses replacing vacant secondary offices, reflecting changing occupier priorities and supporting a more sustainable urban mix.

Belfast city centre is also beginning to feel more liveable for residents, supported by targeted public-realm interventions with schemes such as Cathedral Gardens, however continued enhancement of streets, open spaces and pedestrian routes is required.

Another important driver of change will be the growth and diversification of tourism. Northern Ireland's tourism sector is increasingly being driven by destinations beyond Belfast. Locations such as Derry~Londonderry, the Causeway Coast and Glens, and Fermanagh Lakelands continue to attract visitors through a combination of cultural tourism, outdoor recreation and major events.

Major cultural and visitor-focused projects, including the recent Fleadh Cheoil na hÉireann and forthcoming Belfast Stories initiative, bolster the city's narrative offer, extend dwell times and reinforce footfall beyond traditional retail peaks. This supports a pivot towards leisure, food and beverage, and experiential retail, which have proven more resilient than comparison retail in recent years. As international and domestic tourism continues to grow, Belfast's role as the primary retail and leisure destination for Northern Ireland will be reinforced.

The opening of Belfast Grand Central Station has strengthened the city centre's role as Northern Ireland's principal transport gateway, improving accessibility, supporting tourism growth, increasing footfall in Great Victoria Street and Donegall Place and acting as a catalyst for wider regeneration and investment in the Weaver's Cross area.

Larger regeneration sites represent both opportunity and risk. The North Street-Donegall Street site, formerly known as Tribeca, remains a key factor in Belfast's city-centre evolution. The revised plan places greater emphasis on residential development, with the potential to significantly increase the city-centre population and strengthen demand for retail, leisure and hospitality. Delivery of the scheme would also support the continued regeneration of Royal Avenue, building on the momentum created by Ulster University and the forthcoming Belfast Stories development. Similarly, the renewed planning permissions at Sirocco Quays suggest that momentum is returning to stalled large-scale schemes, with the potential to unlock further residential, leisure and employment demand that feeds back into the retail economy.

However, we must acknowledge that these opportunities sit alongside persistent structural and social challenges. Infrastructure capacity, particularly for water and wastewater and prolonged planning and approval timelines, remains a constraint, while the burden of business rates continues to impact retailer viability, especially for independents. Cost-of-living pressures influence retail demand, increasing value-conscious shopping behaviour and supporting discount, convenience and value-led operators. Public perceptions of safety can influence footfall, dwell time and willingness to visit city centres, particularly in the evening economy. Issues such as anti-social behaviour, visible substance misuse and rough sleeping can affect the attractiveness of particular locations for shoppers, visitors and investors. These are issues that have become more prevalent in Belfast, as they have in many other cities, in recent years.

Overall, the next five years are likely to be defined less by retail growth in isolation and more by the success of Northern Irish locations as places to live, visit and spend time.

Retail is increasingly one component of a broader destination offer, and operators that align with this evolving role are likely to be best positioned to succeed.

Lambert Smith Hampton

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